

Message Text

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PAGE 01 STATE 218345
ORIGIN EUR-12

INFO OCT-01 EB-08 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 NSC-05
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DRAFTED BY EUR/CE:GACHESTER:DHT
APPROVED BY EUR/CE:WWOESSNER
EB/OA:JMAGNOR

-----069292 130633Z /14

R 122213Z SEP 77
FM SECSTATE WASHDC
TO USMISSION USBERLIN
INFO AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY PARIS

C O N F I D E N T I A L STATE 218345

E.O. 11652:GDS

TAGS: EAIR, PFOR, WB

SUBJECT: AEROAMERICA

REF: BONN 4134; USBERLIN 947 (NOTAL); BONN 6646

1. MORT BEYER, FORMER MODERNAIR MANAGER IN BERLIN,
TELEPHONED DEPT SEP 9 TO INFORM US THAT BERLINER
FLUGRING (BFR) HAD CONTACTED HIS COMPANY ROSENBAUM
AIRLINES TO REQUEST A PROPOSAL FOR BFR'S SUMMER PROGRAM
1978 AND A STAND-BY PROPOSAL FOR BFR'S WINTER 1977/78
PROGRAM. BEYER SAID THAT THE "STORM SIGNALS WERE
FLYING" CONCERNING AEROAMERICA AND ITS ABILITY TO
CONTINUE TO OPERATE IN BERLIN. HE SAID THE COMPANY
WAS UNDER INCREASING PRESSURE IN BANKRUPTCY
PROCEEDINGS INITIATED IN SEATTLE NINE MONTHS AGO
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AND HE IMPLIED THAT THE COMPANY WOULD SOON GO UNDER
AND DRAG THE BERLIN OPERATION DOWN WITH IT.

2. MAIN REASON FOR BEYER'S CALL WAS TO FIND OUT IF
ROSENBAUM COULD EXPECT ALLIED CAA APPROVAL FOR IT TO
SUCCEED AEROAMERICA. DEPT OFFICIAL TOLD HIM THAT, IN
PRINCIPLE, WE FAVORED HAVING A US CHARTER CARRIER

IN BERLIN. WE MADE THREE POINTS:

A. AEROAMERICA IS AN ESTABLISHED CHARTER CARRIER WITH A GOOD SERVICE RECORD IN BERLIN. ITS FAILURE, PARTICULARLY ON THE HEELS OF MODERNAIR'S DEMISE, WOULD BE UNFORTUNATE AND WOULD RESULT IN CRITICISM FROM THE BERLINERS WHO MUST RELY ON ALLIED AIR CARRIERS. SHOULD AEROAMERICA FALL OF ITS OWN WEIGHT, WE WOULD HAVE AN OPEN MIND CONCERNING A POSSIBLE SUCCESSOR. HOWEVER IT IS DOUBTFUL THAT WE WOULD LOOK KINDLY ON ANY OUTSIDE COMPANY THAT HAD "ASSISTED" AEROAMERICA GO UNDER BY COMPETING FOR ITS BUSINESS.

B. SHOULD AEROAMERICA FAIL IN BERLIN, WE WOULD HAVE TO CONSIDER ALL APPLICANTS. IT IS BY NO MEANS ASSURED, IN VIEW OF THE HIGHLY COMPETITIVE CHARTER MARKET IN BERLIN, THAT THE ALLIES (READ BRITISH) WOULD CONSENT TO THE ENTRY OF A US SUCCESSOR TO AEROAMERICA.

C. ANY CONTENDING COMPANY WOULD HAVE TO PROVIDE SOLID EVIDENCE OF IT FINANCIAL SOUNDNESS AND ABILITY TO PERFORM.

3. BEYER SAID HE FULLY UNDERSTOOD THESE POINTS, AND INSISTED ROSENBAUM WAS DOING NOTHING TO PUT AEROAMERICA OUT OF BUSINESS. HE SAID ROSEBAUM WAS CONFIDENTIAL

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NOW OPERATING FOUR DC8'S, WOULD OBTAIN TWO MORE IF IT ENTERED BERLIN MARKET. HE SAID THAT AS OF THE FISCAL YEAR ENDING MAY 31, 1977, ROSENBAUM HAD ASSETS OF 1.9 MILLION DOLLARS, LIABILITIES OF 1 MILLION DOLLARS AND MADE A PROFIT OF 1.3 MILLION DOLLARS BEFORE TAXES ON TEN MILLION DOLLARS WORTH OF GROSS BUSINESS.

4. DEPT WOULD APPRECIATE ANY INFORMATION MISSION COULD OBTAIN ON AEROAMERICA'S PRESENT BUSINESS SITUATION. REQUEST PRELIMINARY VIEWS FROM BONN ON LIKELY FRENCH AND BRITISH POSITION CONCERNING ENTRY OF NEW US CHARTER AIRLINE INTO BERLIN MARKET SHOULD AEROAMERICA FOLD. VANCE

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INFO OCT-01 ISO-00 /013 R

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R 240700Z SEP 77

FM SECSTATE WASHDC

INFO AMEMBASSY BRUSSELS 4184

C O N F I D E N T I A L STATE 218345

BRUSSELS FOR FAA

FOLLOWING TEL SENT ACTION USBERLIN INFO BONN, LONDON, PARIS
FROM STATE SEPT 12:

QUOTE C O N F I D E N T I A L STATE 218345

E.O. 11652:GDS

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PROCEEDINGS INITIATED IN SEATTLE NINE MONTHS AGO
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMERCIAL AIRCRAFT, CIVIL AVIATION, AIR ROUTE APPLICATIONS, BERLIN AIR ACCESS
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: GACHESTER:DHT
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770331-0088
Format: TEL
From: STATE
Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19770972/aaaacjld.tel
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Litigation History:
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Office: ORIGIN EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Channel Indicators: n/a
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Reference: 77 BONN 4134, 77 USBERLIN 947, 77 BONN 6646
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Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1303727
Secure: OPEN
Status: NATIVE
Subject: AEROAMERICA
TAGS: EAIR, PFOR, WB, AEROAMERICA
To: USBERLIN
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/a15b0548-c288-dd11-92da-001cc4696bcc
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